

DIRECTIVE

WELFARE-TO-WORK

Number: WD99-2

Date: February 17, 1999

69:75:va:2374

TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
COUNTY WELFARE DEPARTMENT DIRECTORS
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
EDD EXECUTIVE STAFF
WORKFORCE DEVELOPMENT BRANCH STAFF

SUBJECT: CASH MANAGEMENT FOR 15 PERCENT GRANTEES

EXECUTIVE SUMMARY:

Purpose:

This directive provides guidance on cash management procedures for the federal Welfare-to-Work (WtW) 15 percent grant program.

Scope:

This directive applies to all subgrantees of WtW 15 percent grant funds, Governor's Grants and Regional Collaboratives.

Effective Date:

This directive is effective upon release.

REFERENCES:

- Title 20 Code of Federal Regulations (CFR) 645.230, fiscal and administrative rules for WtW federal funds.
- Title 29 CFR Part 95.22, Payment
- Title 29 CFR Part 97.21, Payment
- Treasury Circular Number 1075 (31 CFR Part 205)
- California Unemployment Insurance Code (CUIC) Section 10000-10005
- JTPA Directive D95-36: Process for Return of Excess Cash, June 3, 1996
- WD99-3, Benchmarks and Subgrant Availability - WtW 15 Percent, February 17, 1999

STATE-IMPOSED REQUIREMENTS:

This document contains state-imposed requirements in ***bold, italic*** type.

FILING INSTRUCTIONS:

This directive finalizes draft directive WDD-3, issued for comment on December 22, 1998. Retain this directive until further notice.

BACKGROUND:

The WtW Grants Interim Rule at 645.230(a) identifies the applicable federal fiscal and administrative rules. For uniform fiscal and administrative requirements the Department of Labor (DOL) regulations at 29 CFR Part 97 apply to state, local, and Indian tribal government organizations. The Office of Management and Budget (OMB) Circular A-110, codified at 29 CFR Part 95, governs institutions of higher education, hospitals, and other non-profit organizations. These regulations require cash management in accordance with Treasury regulations, 31 CFR Part 205, that states the methods and procedures for payment shall minimize the time between the transfer and disbursement of funds.

POLICY AND PROCEDURES:

Definitions:

Immediate Cash Need means the cash needed for the next three working days to cover drafts issued or payments due within that time.

Policy:

These policies and procedures are established to comply with federal requirements and the CUIC. To ensure that the need for funds is based on program operation, each subgrantee developed a list of benchmarks identified in Exhibit II of the subgrant. On reaching a specified benchmark, funds are available for release based on immediate cash need. (See WD99-3, Benchmarks and Subgrant Availability.) Subgrantees must identify the amount of cash needed to cover drafts issued or payments due within the next three working days. Cash requests should cover only the identified needs. Subgrantees shall not request more cash than is necessary to cover these expenses. State and federal monitoring guides provide for review of cash requests and disbursements for compliance.

Only subgrantees with executed contracts may receive cash. Failure to meet reporting requirements may delay or suspend the release of cash. Identification of excess cash on hand may cause the organization to be placed on a reimbursement basis.

State and federal holidays are not working days for the processing of cash requests. Holidays that fall on Sunday are observed on the following Monday. The list of state and federal holidays, as well as the date or day of the week it is observed, is as follows:

HOLIDAY	DATE
New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
Abraham Lincoln's Birthday	February 12
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Columbus Day	2nd Monday in October
Veterans Day	November 11

HOLIDAY	DATE
Thanksgiving Day	Fourth Thursday in November
Thanksgiving Holiday	Friday after Thanksgiving
Christmas Eve	December 24 limited hours
Christmas Day	December 25
New Year's Eve	December 31 limited hours

Procedures:

Methods for Receiving Cash

The Employment Development Department's (EDD) payment system provides four options by which subgrantees may receive WtW funds:

1. Inter-branch deposits (for subgrantees that have accounts with the Bank of America); Fiscal Programs Division needs to have deposit tickets for your bank account in order to process the cash requests. Please supply a pad of deposit tickets with your Information Request Form and additional tickets when the supply is exhausted.
2. Inter-bank wire transfers (for subgrantees that have accounts with other financial institutions);
3. Mail delivery of state warrants; and
4. Direct pick-up of state warrants by subgrantees.

The subgrantee must complete the attached *Information Request Form* identifying their choice.

Inter-branch deposits and inter-bank wire transfers are fastest. The other two options allow subgrantees to deposit funds themselves; however, providing state warrants is a slower process.

Requesting Cash

1. ***On completion of a benchmark, the subgrantee will complete and submit the form, Welfare-to-Work Benchmarks and Subgrant Availability Report, FWD99-3B1 to their program manager.***
2. Approval by the program manager permits access to funds for immediate cash needs.
3. ***When the subgrantee forecasts a need for cash within the next three working days, the subgrantee completes and submits the attached Manual JTA Cash Request Form to the program manager. To expedite the process, the form should be submitted via fax transmittal to (916) 654-7921, for Governor's Grantees, and (916) 653-2467 for Regional Collaboratives.*** The requested cash will be deposited in the subgrantee's bank via electronic transfer within three working days. Cash requested by inter-branch deposit or inter-bank wire transfer should be received within three working days from the day of request. If cash is not received by the fifth working day, please contact your program manager.
4. ***Additional cash may be requested only after previously requested cash is liquidated and there is a need for additional cash to meet immediate needs.***

Excess Cash

Any excess cash on hand must be returned. For complete instructions on the return of cash, refer to JTPA Directive D95-36: Process for Return of Excess Cash, June 3, 1996.

Interest

Any interest earned on WtW funds shall be remitted to the federal government via the state following the procedures in JTPA Directive D95-36. The federal government establishes these requirements. State, local, and Indian governmental grantees or subgrantees may keep interest amounts up to \$100 per year for administrative expenses. For institutions of higher education, hospitals, other non-profit organizations and commercial organizations, excluding state universities and hospitals, specific banking requirements apply, as stated in Title 29 CFR 95.22:

- (k) Recipients shall maintain advances of Federal funds in interest bearing accounts, unless paragraph (k)(1), (k)(2), or (k)(3) of this section apply.
 - (1) The recipient receives less than \$120,000 in Federal awards per year.
 - (2) The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on Federal cash balances.
 - (3) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

If interest is earned, the recipient may retain amounts up to \$250 per year for administrative expenses.

ACTION:

Bring this directive to the attention of all affected staff.

INQUIRIES:

Please direct inquiries about this directive to your program manager at (916) 654-7799.

/S/ BILL BURKE

Assistant Deputy Director

Attachments

MANUAL JTA CASH REQUEST FORM

To:

EDD USE ONLY	
I	
W	
O	
C	
R	

SUBGRANT RECIPIENT:
SUBGRANT NUMBER:
DATE OF REQUEST:

PROGRAM TITLE	GRANT CODE	CASH REQUESTED TO DATE	CASH DISBURSED TO DATE	CASH REQUEST AMOUNT
TOTAL				

In accordance with the fiscal provisions outlined in the subgrant agreement, this request for cash is provided for the amounts indicated above. We understand the funds will be available or deposited into our account on or about _____.

We understand that all information on this form must be complete and that it must be received by the Employment Development Department no later than 1:30 p.m. to guarantee same day processing.

I hereby certify that I am a duly appointed representative of the above named subgrant recipient and that, to the best of my knowledge, the above request represents our best estimate, is in accordance with the current budget provisions, and does not violate the State's policy of not maintaining more cash than is necessary to meet our immediate needs at any time.

Name _____ Signature _____ Date _____

Program Manager's Approval Signature _____ Date _____

INSTRUCTIONS FOR THE MANUAL JTA CASH REQUEST FORM

Subgrant Recipient: Please enter the name of the subgrantee as indicated on the executed subgrant agreement along with the three digit alpha subgrantee code.

Subgrant Number: Enter the subgrant number. The subgrant number is referred to as the registration number located in the right hand corner of the executed subgrant agreement.

Date of Request: Enter the actual date that the cash is being requested.

Program Title: Enter the correct program title for the grant stipulated on the executed subgrant agreement (i.e., Welfare-to-Work (WtW)).

Grant Code: Enter the correct grant code. The grant code is located on the Funding Detail Sheet of the executed subgrant agreement (800, 805 or 806).

Cash Requested to Date: Enter the amount of cash requested *prior* to the current request.

Cash Disbursed to Date: Enter the amount of cash disbursed (i.e. checks written) to date from the entity's bank account.

Cash Request Amount: Enter the amount of the cash currently being requested.

**JOB TRAINING AUTOMATION SYSTEM
INFORMATION REQUEST FORM
WELFARE-TO-WORK PROGRAM**

To: Employment Development Department
Fiscal Programs Division, MIC 70
CASH CONTROL UNIT
P. O. Box 826217
Sacramento, CA 94230-6217

Attention: Lynda Lawson

From: Subgrant Recipient: _____

Mailing Address:

1. The contact personnel who can answer questions regarding the cash request(s) is/are:

Name	Telephone Number
_____	_____
_____	_____
_____	_____

2. The names of personnel authorized to request Welfare-to-Work (WtW) cash request(s) from the state or by faxing to the WtW Coordination Unit (916) 654-7921 are as follows:

Name	Telephone Number	Signature required
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. Please indicate the method of funding that you prefer to use by checking one of the below:

- a. ☐ Inter-Branch Deposit (See 4 and 7 below) **DEPOSIT SLIPS REQUIRED**
 b. ☐ Wire Transfer (See 4 and 7 below)
 c. ☐ U.S. Mail Delivery (See 5 and 7 below)
 d. ☐ Direct Pickup (See 6 and 7 below)

Inter-Branch Deposits are for any account with Bank of America.

4. For inter-branch deposits or electronic wire transfers ("3.a." and "3.b." above), complete this section.

Please have all WtW funds related to the above subgrant deposited into the following bank account:

Bank Name: _____ Bank Telephone # _____

Address: _____

Bank Account Name: _____

Branch Number: _____ Account Number: _____

5. For U.S. Mail Delivery of state warrants ("3.c." above), complete this section only if the address is different than that provided in the mailing address section.

Please send all WtW related warrants to the above subgrant to the following address:

6. For direct pick-up of state warrants ("3.d" above), complete this section.

Please release all WtW funds related to the above subgrant to the following person and/or alternate.

Name	Telephone Number	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. Signature of Authorizing Representative:

_____ Date: _____

One Information Request Form is required for each office.